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THE PRESIDENT'S BOARD OF CONSULTANTS
ON FOREIGN INTELLIGENCE ACTIVITIES

EXECUTIVE OFFICE BUILDING
WASHINGTON 25, D. C.

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Presented orally to President
for action, see NSC
Memo of Jan. 17, 1957
on special meeting
in President's office.
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December 20, 1956

Dear Mr. President:

In accordance with the instructions contained in Executive Order 10656, 6 February 1956, appointing this Board, and the desires expressed by you in your 13 January 1956 letter to its members, your Board of Consultants on Foreign Intelligence Activities respectfully submits the following report:

I. Activities of the Board

Since February of this year we have been reviewing the foreign intelligence activities and the related clandestine political and psychological operations of the government. In doing this we have:

(1) familiarized ourselves with the national intelligence effort with primary attention on the work of the Central Intelligence Agency and the performance of the Director of Central Intelligence,



(2) reviewed the studies of intelligence and related activities made by ad hoc groups over the past few years noting the improvements which have resulted from the adoption of many of their recommendations,

(3) observed selected operations both here and abroad and, as a test, brought together and examined the total raw intelligence of various kinds collected and processed on a specified country for a designated period of time. The country was the time the second week of last May,

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DECLASSIFIED WITH DELETIONS	
E.O. 12958, SEC. 3.6(b)	
Agency Case	2000-35-1
NLE Case	2000-35-1
By	BIM NLE Date 4/3/01
(S) RAC review - 117-605-1-3	
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(4) received and reviewed a number of special reports from the Intelligence Community some covering in detail specific operations in the field.

We are now engaged in a comprehensive review of those items of intelligence bearing on events in the Middle East during October of this year which received the personal attention of the Heads of the key Departments and Agencies directly concerned with them.

We have requested semi-annual intelligence performance reports from each of the key elements engaged in the collection and processing of intelligence information and have just received the first set of these.



To assist us in our review of the handling of special intelligence funds we have worked out with the Office of the Bureau of the Budget a cost report of intelligence operations which will be compiled annually by each of the Departments and Agencies concerned with intelligence operations.

There is evidence, we believe, that your establishment of this continuing Board already has had beneficial effects. The Heads of the various Departments and Agencies are examining anew their respective intelligence responsibilities and their inter-relation to our total national intelligence effort. By queries and suggestions we are encouraging them to do this.

During the course of the reviews we have had opportunity to make we have formed certain general impressions of the national intelligence effort which together with our related suggestions are listed below.

II. General Conclusions and Comments

There are, of course, some well-recognized deficiencies in our intelligence, but we believe that our intelligence organizations are fully alert to these and are earnestly endeavoring to overcome them. These organizations all appear to be discharging their difficult duties diligently and, in general, with a gratifying degree of competence.

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Coordination of the National Intelligence Effort.
We do not believe that drastic changes in the structure of our national intelligence organization are required to make progress toward some of the objectives we have outlined below.

We suggest that the Director of Central Intelligence be encouraged to exercise a more comprehensive and positive coordinating responsibility and we feel that he can do this within the intent of existing laws. If directed and supported by you in discharging this responsibility the Director of Central Intelligence can accomplish much in the direction of integration, reduction of duplication, and coordination within the national intelligence effort without change in present statute or organization.

To free the Director of Central Intelligence for this function we suggest that he be provided with a Chief of Staff or Executive Director who, acting as his "Executive Vice President", would relieve him of many of the management responsibilities he is presently called upon to discharge as head of the Central Intelligence Agency - which Agency we feel strongly at this time should remain under his direction.



National Intelligence Directives. We have found a need for some revision in the National Security Council Intelligence Directives which now number about twenty.

We recommend that the National Security Council review these Directives and substitute a more coherent, consolidated Directive or set of Directives for the conduct of our intelligence activities under today's conditions.

In conducting such review we suggest that the views of the key elements of the Intelligence Community be solicited.

III. Foreign Intelligence Activities

The Intelligence Community. Our national intelligence effort has become an extensive enterprise and it is growing. The national "Intelligence Community", comprised

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of the intelligence representatives of the Executive Departments and other Agencies principally concerned with intelligence operations overwatches this effort and assists in assuring that the intelligence activities of those participating in it are conducted on a closely coordinated basis.



In 1947, by the terms of a National Security Council Directive an "Intelligence Advisory Committee", under the chairmanship of the Director of Central Intelligence, and with membership from the Intelligence Community, was established to advise the Director of Central Intelligence and to "maintain a relationship essential to coordination between the Central Intelligence Agency and the intelligence organizations". This central jointly-staffed group (now supported by an elaborate subcommittee substructure), which in effect is the staff of the Intelligence Community, has grown to be more than just a liaison and advisory group. It plays a very considerable part in the actual management of the national intelligence effort and even accounts for it to the National Security Council in its "Annual Report of the Status of the Foreign Intelligence Program". This has brought a form of group management to our Intelligence Community and with it all the features of that kind of management. As we examine the present organization of the Intelligence Community we conclude that, while it is serving a valuable coordinating purpose, it is designed to serve the country under conditions short of war. As a consequence, and in view of the present status of our national intelligence war planning to which we refer below, we ask the question: How well is our Intelligence Community prepared to pass to and function under conditions of war?

We suggest that a realistic appraisal of its existing organization and responsibilities be undertaken at once. This should be undertaken directly by the Director of Central Intelligence and he should report his appraisal and recommendations to the Board of Consultants on Foreign Intelligence Activities.

War Plans. We have found that our national intelligence war plans range, in some instances, from no plans at all to others in which plans have been worked out in some detail.

We urge that action be expedited to bring these plans to the highest feasible state of readiness and that a realistic war-gaming of them begin as soon as practicable.

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Control of the National Intelligence Effort.

Despite his title, the Director of Central Intelligence neither by law, directive nor otherwise, is the central director of the total intelligence effort of the government. Actually his control of intelligence operations is restricted to those of the Central Intelligence Agency. On the other hand, he does have a broad responsibility for the correlation, evaluation and dissemination of intelligence related to the national security.



But the "dominant" responsibility for the production of "Departmental" intelligence ("subject to refinement through a continuous process of coordination by the Director of Central Intelligence") rests with the head of each of the separate Departments and Agencies represented in the Intelligence Community.

In our judgment this arrangement, with its division of responsibility and despite the elaborate intelligence committee coordinating mechanism which exists, is not any longer adequate. Wherever their Departmental needs are judged by them to be paramount the separate elements of the Intelligence Community are inclined to operate independently. This has resulted in an undue amount of built-in duplication in our national intelligence effort. It has also generated competition and frictions, some long standing, which have impeded the real integration of the intelligence activities of the separate elements of the Intelligence Community.

We are convinced that a strong centralized direction, under which the resources of the various elements of the Intelligence Community would be brought closer together would do much to strengthen our national intelligence effort and to contain its cost. We therefore recommend that action toward that end be taken, both through the National Security Council and the Central Intelligence Agency.

Field Operations. We see signs of betterment of intelligence relationships and in the conduct of intelligence operations in the field as a result of the recent State Department despatch which directed that all United States activities in any one foreign locality be coordinated by the Head of the Foreign Mission in that place. One Ambassador already has forwarded specific recommendations

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for the field coordination of the collection of political intelligence information. The interest of others has been exhibited by their queries.

IV. Political and Psychological Operations

Political and psychological operations of the black (and gray) order are now integral parts of the foreign operations of this government and, as such, affect importantly the implementation, and even the shaping, of our foreign and military policies.

We have familiarized ourselves with the procedures prescribed in National Security Council paper 5412/2 for dealing with these sensitive operations and believe them to be sound. We do not, however, subscribe to the methods presently being employed in the implementation of these procedures. As far as we have been able to determine there is no real joint staffing of any clandestine project, within the intent of the governing National Security Council document, prior to its presentation to the Special Under Secretary group established to review such projects. Approval itself, in the usual case, is a very informal process. And, thereafter, it seems to us, projects become almost too exclusively the responsibility of the Central Intelligence Agency.

We are aware of the extremely delicate nature of some of these projects and of the necessity for cloaking them in the highest degree of secrecy. Nevertheless, because of their far reaching international influences and their potentially significant impacts on much of our national planning, we are concerned about the extremely informal and somewhat exclusive methods used in their present handling.

We urge that present practices be regularized to insure that in all appropriate instances these clandestine projects, (1) receive the benefit of proper joint staffing and formalized approval and, (2) that both the State and Defense Departments be kept abreast of the developments of these projects on a need to know basis and, of course, under tightly guarded security procedures.

Further, we feel that after careful security checking and proper briefing the Chief of every United States Foreign Mission, to the extent that he may elect,

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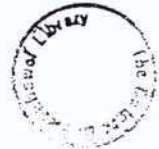
should be acquainted with all such operations being conducted in his area - unless the Committee of Under Secretaries provided for by National Security Council paper 5412/2 unanimously decides otherwise.

United States Information Agency. The Chief of every Foreign Mission should also, in our judgment, have knowledge of and be provided with the staff means to exercise a high degree of control over United States Information Agency activities in his area. While we have only casually reviewed the activities of that Agency it is our observation that a disproportionately high percentage of these are of the "unattributed" or "gray" variety.

..... In the large gray area which now exists there is, in our opinion, danger of the loss of control of activities which conceivably could cause serious embarrassments to our Government.

We feel that a definite need exists for the coordination of the "unattributed" programs

..... particularly in the field of propaganda, and we urge that action toward that end be initiated at once. It is our opinion that such action could well begin with a review of the actual practices which have grown up under the "Principles to Assure Coordination of Gray Activities" enumerated by the Operations Coordinating Board on 24 October 1953.



V. Other Related Matters

Communications Intelligence. The Department of Defense is the Executive Agency of the Government for the production of Communications Intelligence. In this capacity it supervises the operations of the National Security Agency - potentially our best source of accurate intelligence. Latest estimates reveal that within the next two fiscal years the annual costs of these operations will rise above a half billion dollars.

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To give proper high level direction to Communications Intelligence Activities and to insure that their tremendous capabilities can be exploited to the fullest we believe that they should have the direct management attention of a single Assistant Secretary of Defense. We therefore suggest that one be designated for that purpose.

In our judgment the intelligence "break through" which would yield us greatest dividends would be the achievement of a capability to break the Soviet high-grade ciphers. We feel that an essential step in seeking a solution to this problem would be a successful mobilization of the best available talent in the country to search out the most promising lines of research and development.

We suggest that you lend your prestige to the recruitment of personnel for such a study. We suggest that the proposed study mentioned above might be undertaken, at your request, by the Science Advisory Committee of the Office of Defense Mobilization or by the Weapons System Evaluation Group (the Institute for Defense Analyses, Inc.) of the Department of Defense.

We would also urge that greater impetus be given to the development by the National Security Agency of machines and techniques for speeding up the sifting out of important items from the great mass of information that is accumulated daily from Communications Intelligence sources.

Respectfully,

FOR THE BOARD,

James R. Killian, Jr.
James R. Killian, Jr.
Chairman

The President of the United States
The White House
Washington, D. C.

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